

CPE Fields of Study

The CPE Fields of Study curriculum is divided into seven subject matter areas. They are Accounting and Auditing, Consulting Services, Ethics, Management, Personal Development, Specialized Knowledge and Applications and Taxation. These fields represent the primary knowledge and skill areas needed by accounting licensees to perform professional services in all fields of employment. While the NASBA National Registry of CPE Sponsors recognize that other fields of study or arrangements could be created, these seven areas are considered as the primary fields of study at this time.

Accounting and Auditing

This field of study includes accounting and financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies and any other related subject generally classified within the accounting discipline. It also includes auditing subjects related to the examination of financial statements, operations systems and programs; the review of internal and management controls; and the reporting on the results of audit findings, compilation and review. This curriculum covers the needs of the licensees in public practice, industry and governmental.

Consulting Services

This field of study deals with all advisory services provided by professional accountants—management, business, personal, and other. It includes Management Advisory Services and Personal Financial Planning Services. This section also covers an organization's various systems, the services provided by consultant practitioners and the engagement management techniques that are typically used. The systems include those dealing with planning, organizing and controlling any phase of individual financial activity and business activity. Services provided encompass those for management, such as designing, implementing and evaluating operating systems for an organization, as well as business advisory services and personal financial planning. For the most part this curriculum is primarily for consultants in public practice; however, internal consultants employed by large corporations may find these subjects useful.

Ethics

This field of study deals with the necessary ethical background knowledge required to adhere to rules and regulations of state licensing bodies, other governmental entities, membership associations and other professional organizations or bodies. Creating an ethical framework is absolutely necessary to be able to sort through professional dilemmas. This curriculum covers the needs of licensees in public practice, industry and government. General professional ethics programs are treated as personal development programs.

Management

This field of study considers the management needs of individuals in the three employment areas, i.e., public practice, industry and government. Some subjects concentrate on the practice management area of the public practitioner, such as organizational structures, marketing services, human resource management and administrative practices. For individuals in industry, there are subjects dealing with the financial management of the organization, including information systems, budgeting, and asset management, as well as items covering management planning, buying and selling businesses, contracting for goods and services, and foreign operations. For licensees in government, this curriculum embraces budgeting, cost analysis, human-resource management and financial management in state and local governmental entities. In general, the emphasis in this field is on the specific management needs of licensees and not on general management skills.

Personal Development

Becoming a competent people manager is the thrust of the subjects in this field of study, which covers such skills as communications, managing the group process and dealing effectively with others in interviewing, counseling and career planning. Public relations and general professional ethics programs are also treated as personal development programs.

Specialized Knowledge and Applications

This field of study treats subjects related to specialized industries, such as not-for-profit organizations, health care and oil and gas. An industry is defined as specialized if it is unusual in one or more of the following ways:

- Form of organization,
- Economic structure,
- Source(s) of financing,
- Legislation or regulatory requirements,
- Marketing or distribution,
- Terminology,
- Technology;

and either

- Employs unique accounting principles and practices,
- Encounters unique tax problems,
- Requires unique advisory services, or
- Faces unique audit issues.

Taxation

This field of study includes subjects dealing with tax compliance and tax planning. Compliance covers tax return preparation and review and IRS examinations, ruling requests and protests. Tax planning focuses on applying tax rules to prospective transactions and understanding the tax implications of unusual or complex transactions. Recognizing alternative tax treatments and advising the client on tax saving opportunities are also part of tax planning. While this curriculum is aimed primarily at the public practitioner, tax professionals in industry will be interested in many subjects covered here.

CPE Fields of Study (continued)

Each field of study is divided into subgroups called categories. For example, within the Taxation field of study there are 16 categories, including Tax Research, Individual Taxation and Corporation Taxation. A listing of the categories within each field of study is shown below.

Accounting and Auditing

- Accounting and Auditing Research
- Financial Statements and Reports
- Measurement, Recognition, and Presentation of Specific Financial Statement Items
- SEC Practice
- Government Accounting and Reporting - Core
- Government Accounting and Reporting - Specialized
- Planning and Supervision - Accountants' Services
- Study and Evaluation of Internal Control
- Auditing and EDP
- Substantive Audit Procedures
- Independent Auditors' Reports
- Government Auditing - General and Specialized
- Accounting Services for Small Business
- Accounting and Auditing - General

Consulting Services

- MAS Practice Skills
- MAS Engagement Management
- Planning and Control Systems -
 - Manufacturing
 - Marketing
 - Organizational
 - Human Resources Development
 - Management Information Systems
 - Internal Professional Services
 - Research and Development
 - Finance
- Personal Financial Planning
- Other Management Advisory Services

Ethics

- Public Interest and Responsibilities
- General and Professional Standards
- Licenses and Renewals
- SEC Oversight
- Competence - Discreditable Act
- Advertising and Other Forms of Solicitation
- Independence
- Integrity and Objectivity
- Confidential Client Information
- Contingent Fees, Commissions and Other Considerations
- Conflict of Interest
- Discreditable Acts
- Full Disclosure
- Malpractice
- Record Retention

Management

- Human Resources Management in Public Accounting Practice
- Human Resources Management in Industry
- Human Resources Management in Government
- Organization of a Public Accounting Practice
- Administration of a Public Accounting Practice
- MAS Practice Management
- Marketing Professional Services
- Tax Management
- Management Information Systems in Industry
- Management Information Systems in State and Local Governments
- Budgeting in Industry
- Budgeting and Cost Analysis in State and Local Governments
- Management Planning in Industry
- Financial Management in Government
- Asset Management in Industry
- Research Methods and Analytical Techniques in Industry
- Contracting for Goods and Services in Industry
- Buying and Selling Businesses

Taxation

- Tax Research
- Tax Accounting
- Individual Income Taxation
- Partnership Taxation
- Corporate Income Taxation
- Corporate Tax Consideration in Industry
- Tax-Exempt Organizations
- Estate and Trust Taxation
- Compensation Considerations for Taxation
- Real Estate Taxation
- International Taxation
- State and Local Taxes
- Tax Practice Management and Procedures
- Computers in the Tax Practice
- General Taxation
- Special Tax Matters

Activities Excluded

Certain types of activities do not usually qualify for CPE credit because they are not sufficiently related to the practice of public accounting or because they are not structured as formal CPE program sponsors. For example: business meetings and social functions, coffee breaks, meals and registration/receptions associated with seminars and conferences, professional committee service, foreign language programs and instruction in elementary accounting or basic mathematics.

The following standards are issued jointly by the AICPA and NASBA.

Section 100

Preamble

- 01.** The right to use the title "Certified Public Accountant" (CPA) is regulated in the public interest and imposes a duty to maintain public confidence and current knowledge, skills, and abilities in all areas in which they provide services. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.¹
- 02.** The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs to continuously maintain and enhance their knowledge, skills, and abilities.
- 03.** The continuing development of professional competence involves a program of lifelong educational activities. Continuing Professional Education (CPE) is the term used in these standards to describe the educational activities that assist CPAs in achieving and maintaining quality in professional services.
- 04.** The following standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs receive the quality CPE necessary to satisfy their obligations to serve the public interest.

Section 200

Standards for CPAs

General Standards

- 01. Standard No. 1. All CPAs should participate in learning activities that maintain and/or improve their professional competence.²**
- 02. Commentary.** Selection of learning activities should be a thoughtful, reflective process addressing the individual CPA's current and future professional plans, current knowledge and skills level, and desired or needed additional competence to meet future opportunities and/or professional responsibilities.
- 03.** CPAs fields of employment do not limit the need for CPE. CPAs performing professional services need to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence should be interpreted broadly. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of both technical and non-technical professional skills.
- 04.** Acceptable subjects include accounting, assurance/auditing, consulting services, specialized knowledge and applications, management, taxation, and ethics. Other subjects, including personal development, may also be acceptable if they maintain and/or improve the CPA's professional competence.

¹ The term "CPAs" is used in these standards to identify all persons who are licensed and/or regulated by boards of accountancy.

² The terms "should" and "must" are intended to convey specific meanings within the context of this *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs*. The term "must" is used only in the standards applying to CPE program sponsors to convey that CPE program sponsors are not permitted any departure from those specific standards. The term "should" is used in the standards applying to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are expected to follow such standards as written and are required to justify any departures from such standards when unusual circumstances warrant such departures.

Statement on Standards for CPE Programs (continued)

05. To help guide their professional development, CPAs may find it useful to develop a learning plan (see definition in Glossary.) The learning plan can be used to evaluate learning and professional competence development. It should be reviewed periodically and modified as professional competence needs change.

06. **Standard No. 2. CPAs should comply with all applicable CPE requirements and should claim CPE credit only for CPE programs when the CPE program sponsors have complied with the Standards for CPE Program Presentation (Nos. 8 - 11) and Standard for CPE Program Reporting No. 17.**

07. **Commentary.** CPAs are responsible for compliance with all applicable CPE requirements, rules, and regulations of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. CPAs should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

08. Periodically, CPAs participate in learning activities which do not comply with all applicable CPE requirements, for example specialized industry programs offered through industry sponsors. If CPAs propose to claim credit for such learning activities, they should retain all relevant information regarding the program to provide documentation to state licensing bodies and/or all other professional organizations or bodies that the learning activity is equivalent to one which meets all these Standards.

09. **Standard No. 3. CPAs are responsible for accurate reporting of the appropriate number of CPE credits earned and should retain appropriate documentation of their participation in learning activities, including: (1) name and contact information of CPE program sponsor, (2) title and description of content, (3) date(s) of program, (4) location (if applicable), and (5) number of CPE credits, all of which should be included in documentation provided by the CPE program sponsor.**

10. **Commentary.** To protect the public interest, regulators require CPAs to document maintenance and enhancement of professional competence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of professional competence, not attainment of credits. Compliance with regulatory and other requirements mandates that CPAs keep documentation of their participation in activities designed to maintain and/or improve professional competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

11. Participants must document their claims of CPE credit. Examples of acceptable evidence of completion include:

- ◆ For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- ◆ For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination.
- ◆ For instruction credit, a certificate or other verification supplied by the CPE program sponsor
- ◆ For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- ◆ For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college.
- ◆ For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, (2) a statement from the writer supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

12. **Standard No. 4. CPAs who complete sponsored learning activities that maintain or improve their professional competence should claim the CPE credits recommended by CPE program sponsors.**

13. Commentary. CPAs may participate in a variety of sponsored learning activities, such as workshops, seminars and conferences, self-study courses, Internet-based programs, and independent study. While CPE program sponsors determine credits, CPAs should claim credit only for activities through which they maintained or improved their professional competence. CPAs who participate in only part of a program should claim CPE credit only for the portion they attended or completed.

14. Standard No. 5. CPAs may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintain or improve their professional competence.

15. Commentary. Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor one-on-one. Participants in an independent study program should:

- ◆ Enter into a written learning contract with a CPE program sponsor who must comply with the applicable standards for CPE program sponsors.
- ◆ Accept the written recommendation of the CPE program sponsor as to the number of credits to be earned upon successful completion of the proposed learning activities. CPE credits will be awarded only if:
 1. All the requirements of the independent study as outlined in the learning contract are met,
 2. The CPE program sponsor reviews and signs the participant's report,
 3. The CPE program sponsor reports to the participant the actual credits earned, and
 4. The CPE program sponsor provides the participant with contact information.

The credits to be recommended by an independent study CPE program sponsor should be agreed upon in advance and should be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

- ◆ Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.
- ◆ Complete the program of independent study in 15 weeks or less.

Section 300

Standards for CPE Program Sponsors

General Standards

01. Standard No. 1. CPE program sponsors are responsible for compliance with all applicable standards and other CPE requirements.

02. Commentary. CPE program sponsors may have to meet specific CPE requirements of state licensing bodies, other governmental entities, membership associations, and/or other professional organizations or bodies. Professional guidance for CPE program sponsors is available from the AICPA and NASBA; state-specific guidance is available from the state boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.

Standards for CPE Program Development

03. Standard No. 2. Sponsored learning activities must be based on relevant learning objectives and outcomes that clearly articulate the knowledge, skills, and abilities that can be achieved by participants in the learning activities.

04. Commentary. Learning activities provided by CPE program sponsors for the benefit of CPAs should specify the level, content, and learning objectives so that potential participants can determine if the learning activities are appropriate to their professional competence development needs. Levels include, for example, basic, intermediate, advanced, update, and overview (see definitions in Glossary.)

05. Standard No. 3. CPE program sponsors should develop and execute learning activities in a manner consistent with the prerequisite education, experience, and/or advance preparation of participants.

06. Commentary. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and level with the backgrounds of intended participants. All programs must clearly identify prerequisite education, experience, and/or advance preparation, if any, in precise language so that potential participants can readily ascertain whether they qualify for the program.

07. Standard No. 4. CPE program sponsors must use activities, materials, and delivery systems that are current, technically accurate, and effectively designed. CPE program sponsors must be qualified in the subject matter.

08. Commentary. To best facilitate the learning process, sponsored programs and materials must be prepared, presented and updated timely. Learning activities must be developed by individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience or education.

09. CPE program sponsors must review the course materials periodically to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter.

10. Standard No. 5. CPE program sponsors of group and self-study programs must ensure learning activities are reviewed by qualified persons other than those who developed them to assure that the program is technically accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision of the CPE programs.

11. Commentary. Individuals or teams qualified in the subject matter must review programs. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized professional competence of the instructors or presenters. Using independent reviewing organizations familiar with these standards may enhance quality assurance.

12. Standard No. 6. CPE program sponsors of independent study learning activities must be qualified in the subject matter.

13. Commentary. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

- ◆ Review, evaluate, approve and sign the proposed independent study learning contract, including agreeing in advance on the number of credits to be recommended upon successful completion.
- ◆ Review and sign the written report developed by the participant in independent study.
- ◆ Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

14. Standard No. 7. Self-study programs must employ learning methodologies that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program.

15. Commentary. To guide participants through a learning process, CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material, offer evaluative feedback to incorrect responses, and provide reinforcement feedback to correct responses. To provide evidence of satisfactory completion of the course, CPE program sponsors of self-study programs must require participants to successfully complete a final examination with a minimum-passing grade of at least 70 percent before issuing CPE credit for the course. Examinations may contain questions of varying format, (for example, multiple-choice, essay and simulations.) If objective type questions are used, at least five questions per CPE credit must be included on the final examination. For example, the final examination for a five-credit course must include at least 25 questions.

16. Self-study programs must be based on materials specifically developed for instructional use. Self-study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self-study programs as supplements to the instructional materials could qualify if the self-study program complies with each of the CPE standards.

Standards for CPE Program Presentation

17. **Standard No. 8. CPE program sponsors must provide descriptive materials that enable CPAs to assess the appropriateness of learning activities. To accomplish this, CPE program sponsors must inform participants in advance of:**

- ◆ Learning objectives.
- ◆ Prerequisites.
- ◆ Program level.
- ◆ Program content.
- ◆ Advance preparation.
- ◆ Instructional delivery methods.
- ◆ Recommended CPE credit.
- ◆ Course registration requirements.

18. **Commentary.** For potential participants to effectively plan their CPE, the program sponsor should disclose the significant features of the program in advance (e.g., through the use of brochures, Internet notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with noneducational activities, or when several CPE programs are offered concurrently, participants should receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration policies and procedures should be formalized, published, and made available to participants.

19. CPE program sponsors should distribute program materials timely and encourage participants to complete any advance preparation requirements. All programs should clearly identify prerequisite education, experience, and/or advance preparation requirements, if any, in the descriptive materials. Prerequisites should be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

20. **Standard No. 9. CPE program sponsors must ensure instructors are qualified with respect to both program content and instructional methods used.**

21. **Commentary.** Instructors are key ingredients in the learning process for any group program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group programs. Qualified instructors are those who are capable, through training, education, or experience of communicating effectively and providing an environment conducive to learning. They should be competent and current in the subject matter, skilled in the use of the appropriate instructional methods and technology, and prepared in advance.

22. CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

23. **Standard No. 10. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.**

Statement on Standards for CPE Programs (continued)

24. **Commentary.** The objectives of evaluation are to assess participant satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, should be solicited from participants and instructors for each program session, including self-study, to determine, among other things, whether:

- ◆ Stated learning objectives were met.
- ◆ If applicable, prerequisite requirements were appropriate.
- ◆ Program materials were accurate.
- ◆ Program materials were relevant and contributed to the achievement of the learning objectives.
- ◆ Time allotted to the learning activity was appropriate.
- ◆ If applicable, individual instructors were effective.
- ◆ Facilities and/or technological equipment was appropriate.
- ◆ Handout or advance preparation materials were satisfactory.
- ◆ Audio and video materials were effective.

25. CPE program sponsors should periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

26. **Standard No. 11. CPE program sponsors must ensure instructional methods employed are appropriate for the learning activities. Learning activities should be presented in a manner consistent with the descriptive and technical materials provided.**

27. **Commentary.** CPE program sponsors should evaluate the instructional methods employed for the learning activities to determine if the delivery is appropriate and effective. Integral aspects in the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

28. CPE program sponsors are expected to present learning activities that comply with course descriptions and objectives. Appropriate supplemental materials may also be used.

Standards for CPE Program Measurement

29. **Standard No. 12. Sponsored learning activities are measured by program length, with one 50-minute period equal to one CPE credit. One-half CPE credit increments (equal to 25 minutes) are permitted after the first credit has been earned in a given learning activity.**

30. **Commentary.** For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted should be rounded down to the nearest one-half credit. Thus, learning activities with segments totaling 140 minutes should be granted two and one-half CPE credits.

31. While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors must monitor group learning activities to assign the correct number of CPE credits.

32. For university or college credit courses that meet these CPE Standards, each unit of college credit shall equal the following CPE credits:

- ◆ Semester System 15 credits
- ◆ Quarter System 10 credits

33. For university or college non-credit courses that meet these CPE standards, CPE credits shall be awarded only for the actual classroom time spent in the non-credit course.

34. Credit is not granted to participants for preparation time.